

GOVERNOR DONALD L. CARCIERI
DRAFT LEGISLATION
October 4, 2005

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

A N A C T

RELATING TO TAXATION

Introduced By:

Date Introduced:

Referred To:

It is enacted by the General Assembly as follows:

SECTION 1. TITLE 44 of the Rhode Island General Laws entitled
“TAXATION” is hereby amended by adding thereto the following chapter:

CHAPTER 19.1

SALES AND USE TAX HOLIDAY

44-19.1. – 1. Definitions. – Except where the context otherwise requires, the terms used in this chapter shall have the same meaning as the terms used in Chapters 18 and 19 of this Title.

(a) “Sales Tax Holiday” refers to the two day period consisting of Saturday November 26, 2005 and Sunday November 27, 2005, or any other two consecutive day period as prescribed in Section 44-19.1-6, during which sales tax and use tax shall not be imposed upon certain non-business retail sales made by a retailer located in Rhode Island.

GOVERNOR DONALD L. CARCIERI
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44-19.1 – 2. Sales Tax Holiday Sales. – (a) Notwithstanding any other provision of the Rhode Island General Laws, during a Sales Tax Holiday a sales and use tax as described in Chapters 44-18 and 44-19, shall not be imposed upon any non-business retail sale made by a retailer located in Rhode Island. However, this exclusion shall not apply to:

- (1) the sale of telecommunication services;
- (2) the sale of cigarettes or other tobacco products taxed under Chapter 20 of this Title;
- (3) the sale of meals and/or beverages as described in Section 44-18-18.1;
- (4) the sale of motor vehicles;
- (5) the rental of living quarters;
- (6) the furnishing of service for transmission of messages by telegraph, cable, or radio and the furnishing of community antenna television, subscription television, and cable television services;
- (7) the sale of a single item with a selling price in excess of two thousand five hundred dollars (\$2,500).

44-19.1 – 3. Collection requirements – Notwithstanding any other provision of the Rhode Island General Laws, during a Sales Tax Holiday a retailer in Rhode Island shall not add to the sales price nor collect from any non-business purchaser a sales or use tax upon any retail sale as described above. The Tax Administrator shall not require any retailer in Rhode Island to collect and pay sales and use tax upon such retail sales made during the Sales Tax Holiday. Any sales or use tax erroneously or improperly collected during a Sales Tax Holiday must be remitted to the Division of Taxation.

GOVERNOR DONALD L. CARCIERI
DRAFT LEGISLATION
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44-19.1 – 4. Reporting requirements. – Reporting requirements imposed upon retailers, by law or by regulation and including but not limited to the requirements for filing returns required by Chapters 44-18 and 44-19, shall remain in effect for sales during the Sales Tax Holiday, unless otherwise amended by the Tax Administrator as provided in 44-19.1–5 below.

44-19.1 – 5. Rules and Regulations – The Tax Administrator may prescribe rules and regulations in order to implement to the provisions of this Chapter. Any such rules and regulations may from time to time be amended or revised, in whole or in part, by the Tax Administrator. In addition, the Tax Administrator may prescribe and may furnish any forms or instructions that may be necessary or proper for the administration or implementation of this Chapter.

44-19.1 – 6. Future Sales Tax Holidays – Beginning in 2006 and for each year thereafter, Sales Tax Holidays shall take place during the month of August on the second consecutive Saturday and Sunday.

SECTION 2. This act shall take effect upon passage.